



*At the edge of digital innovation*

eGov Conference **2024**

# Smart Governance with GovTech

Enhancing Citizen Experience and Engagement

08<sup>th</sup> April 2024

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# Transforming Public Finance and Operations for Fiscal Sustainability

*Implementing standardized accounting standards*



# Agenda

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## Public Finance & Operation Challenges

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### Treasury Accounting System (TAS)

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### IPSAS

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## Consolidation of Public Sector Accounts



# Public Finance & Operation Challenges



Budgetary Control & Monitoring

Centralized Control v/s Decentralizing Operation

Need to submit timely Financial information to the Central Government/Parliament/ Regulatory Bodies

Need for consolidated statistics to World Bank/IMF

Need for consolidated Government Finance – Central Government, Local Government and Public Bodies

Incorporating IPSAS norms in Government Finance

# How has Mauritius evolved through the Treasury Accounting System (TAS)?

# SIL has accompanied the Treasury in the Financial Platform (TAS) transformation journey



2000

First step toward modernizing financial processes. TAS became the cornerstone financial Platform, streamlining financial transactions & reporting

2016

Upgrade to a new TAS version Efficiency and accuracy. Implement the Govt. Asset Register (GAR)

2017

Transition to Accrual Based Accounting Operations remained on a cash basis Accurate recognition of Financial transactions

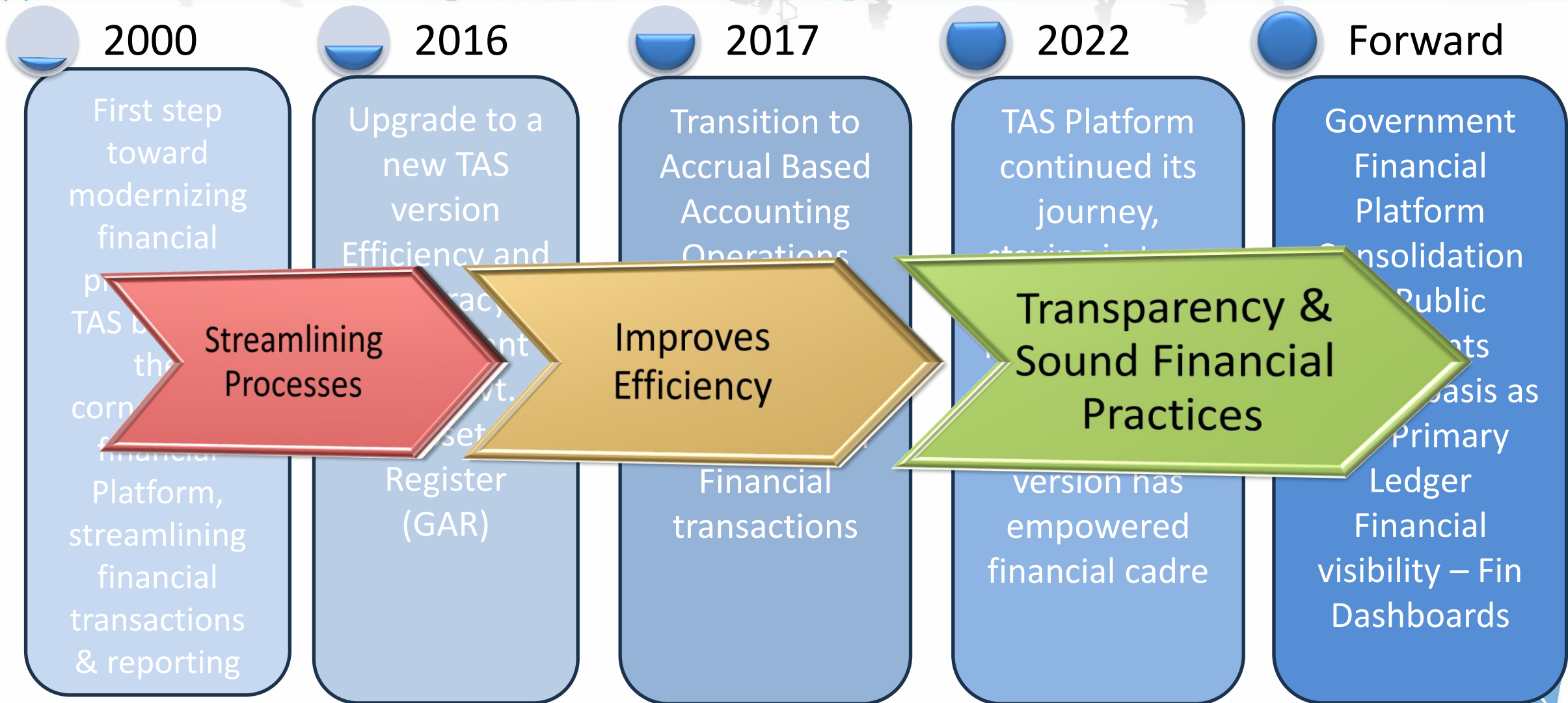
2022

TAS Platform continued its journey, staying in tune with evolution in Government Finance. The latest TAS version has empowered financial cadre

Forward

Government Financial Platform Consolidation of Public Accounts Accrual basis as the Primary Ledger Financial visibility – Fin Dashboards

# SIL has accompanied the Treasury in the Financial Platform (TAS) transformation journey



## ✦ **Implementing IPSAS Norms**

- Embracing IPSAS—the global standard for public sector accounting.
- Compliance with IPSAS norms unlocked new possibilities.

## ✦ **Reduced Lead Time**

- TAS streamlined processes, enabling faster financial reporting.
- Ministries and departments gain timely insights.
- Decentralised Operations – Centralised Control

## ✦ **Accrual vs. Cash Basis**

- The shift from cash to accrual basis transforming financial visibility.
- Embarking on a journey toward holistic financial management.

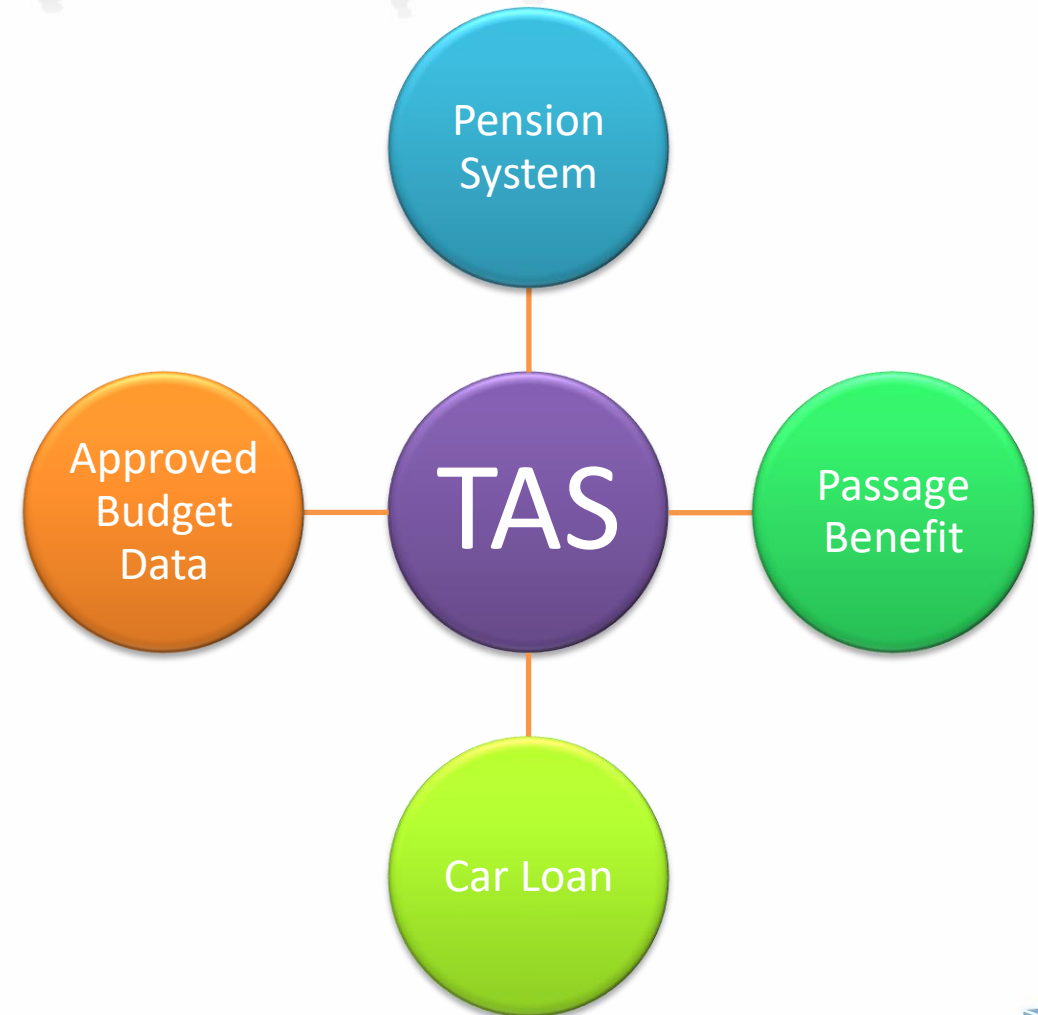
## ✦ **Enhancing Government Financial Statements**

- TAS empowers with accurate reporting.
  - Budget Variance /Budget Control Reports
  - Cash Flow Statements
  - Month End Financial Reports
  - End of Year Financial Statements



# TAS – An Integrating Platform

- Pension System
- Passage Benefit System
- Car Loan
- Approved Budget Data




- ❖ Complete View of Government Business and Performance:
  - IPSAS ensures that public sector entities **adheres to global financial** reporting standards.
  - Provide a **complete view** of their financial activities
  - **Transparency** allows citizens, investors, and other stakeholders to understand the government's financial health and performance.
  
- ❖ Accurate Recording of Government Performance:
  - IPSAS requires **accrual-based** accounting, focusing on recognizing transactions and events when they occur compared to cash-basis.
  - Ensures that financial statements **accurately reflect** the government's performance, commitments, and obligations.

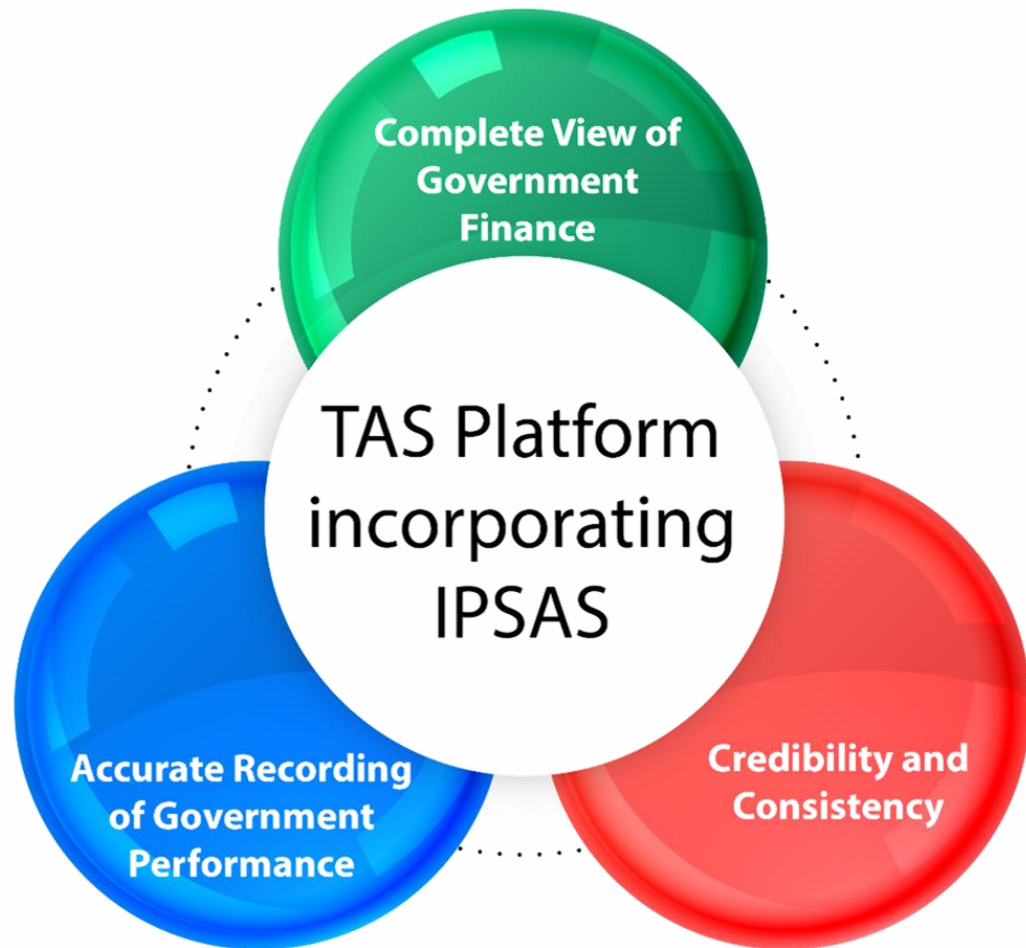
## ✦ Credibility and Consistency

- Enhances **credibility**.
- IPSAS aligns with private sector IFRS (International Financial Reporting Standards) but is adapted for the public sector context.
- **Consistent standards** across governments and entities fosters **trust and comparability**.

# Stage of IPSAS Adoption in Africa

COUNTRY	ADOPTION STATUS	UPDATE
 <b>Ghana</b>	Partially adopted	Ghana announced in 2014 that the country would implement accrual basis IPSAS from 2016, with full roll-out expected to take five years.
 <b>Nigeria</b>	Partially adopted	Nigeria began IPSAS implementation in 2016. Each of Nigeria's 36 independent states will determine its own implementation period.
 <b>South Africa</b>	Partially adopted	Completed at local government level in 2009 using Generally Recognised Accounting Practice (GRAP). National and provincial public entities report on modified cash basis using either adopted IFRS or GRAP.
 <b>Tanzania</b>	Completed	Tanzania adopted accrual IPSAS at all levels of government.
 <b>Zambia</b>	In progress	Zambia began adopting cash basis IPSAS in 2016 and is committed to fully adopting cash basis IPSAS in 2020.
 <b>Zimbabwe</b>	Planned	Zimbabwe has announced it will adopt accrual basis IPSAS by 2021. Central government and local authorities are currently using cash accounting.

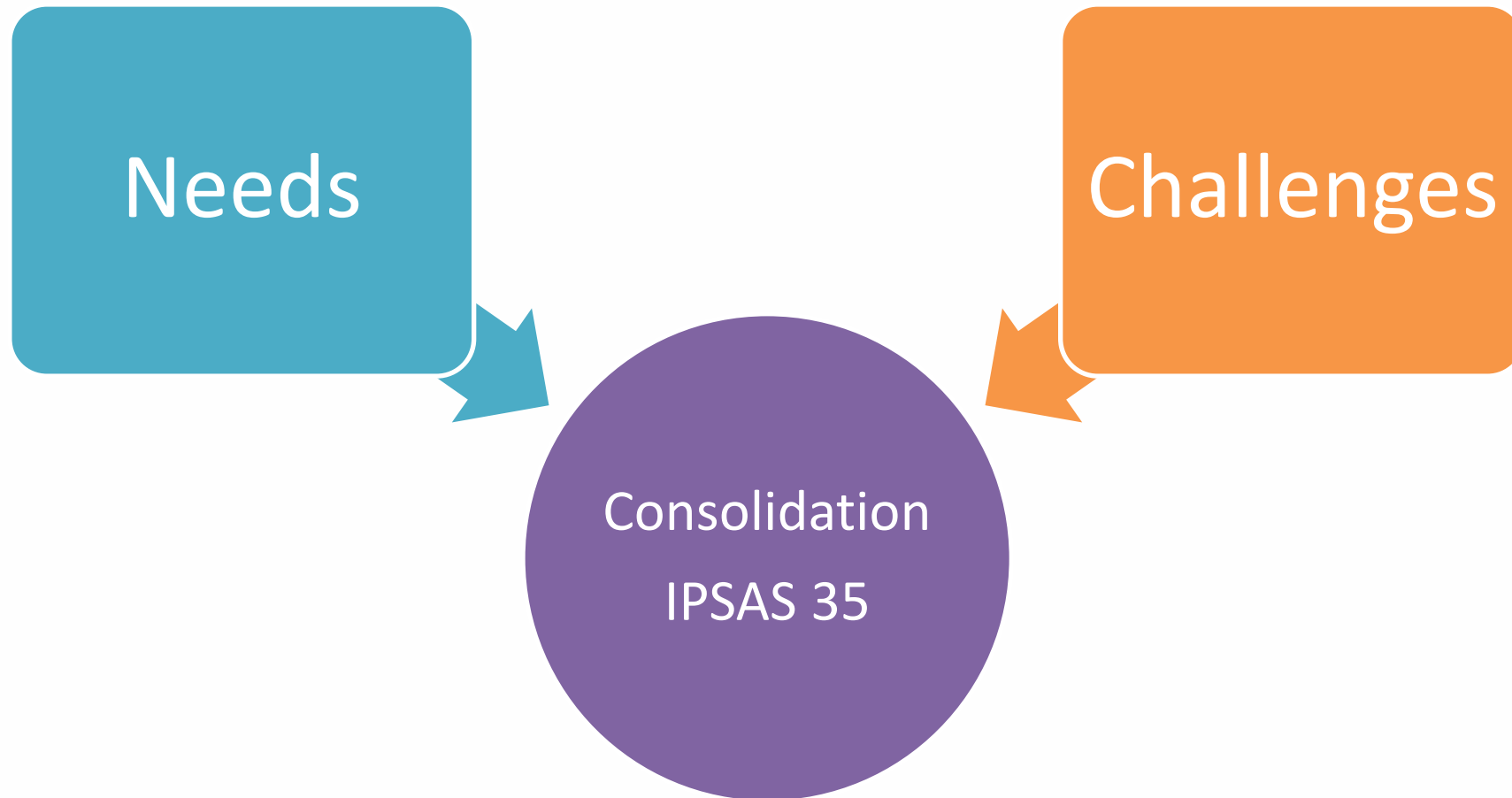
Source - <https://www.accaglobal.com/gb/en.html>



## Key IPSAS norms implemented

- Budget Variance ( IPSAS 24)
- Government Asset Register ( GAR) ( IPSAS 41)
- Cash Flow Statement (IPSAS 2)
- Financial Statements ( IPSAS 1)
- Accrual basis

# Consolidation of Public Sector Accounts



# Consolidation of Public Sector Accounts (IPSAS 35)



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Preparation and presentation of consolidated financial statements

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Presents financial statements under the accrual basis of accounting, it applies IPSAS 35 to consolidate financial information from various public sector organizations

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Consolidation involves combining assets, liabilities, net assets/equity, revenues, expenses, and cash flows, and adjusting for accounting policies as necessary

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Ensures a comprehensive view of the government's financial performance and enhances transparency in reporting

# Need for Consolidation of the PAs



Holistic view of government finance



Enhance Accountability and Transparency



Effective Decision Making



Comparability and Consistency across Public Bodies



Common financial structure across public bodies



# Challenges to Consolidation of PAs



Skills in the practice of consolidation across Public Bodies

A robust & reliable IT solution for the consolidation

Lack of Resources

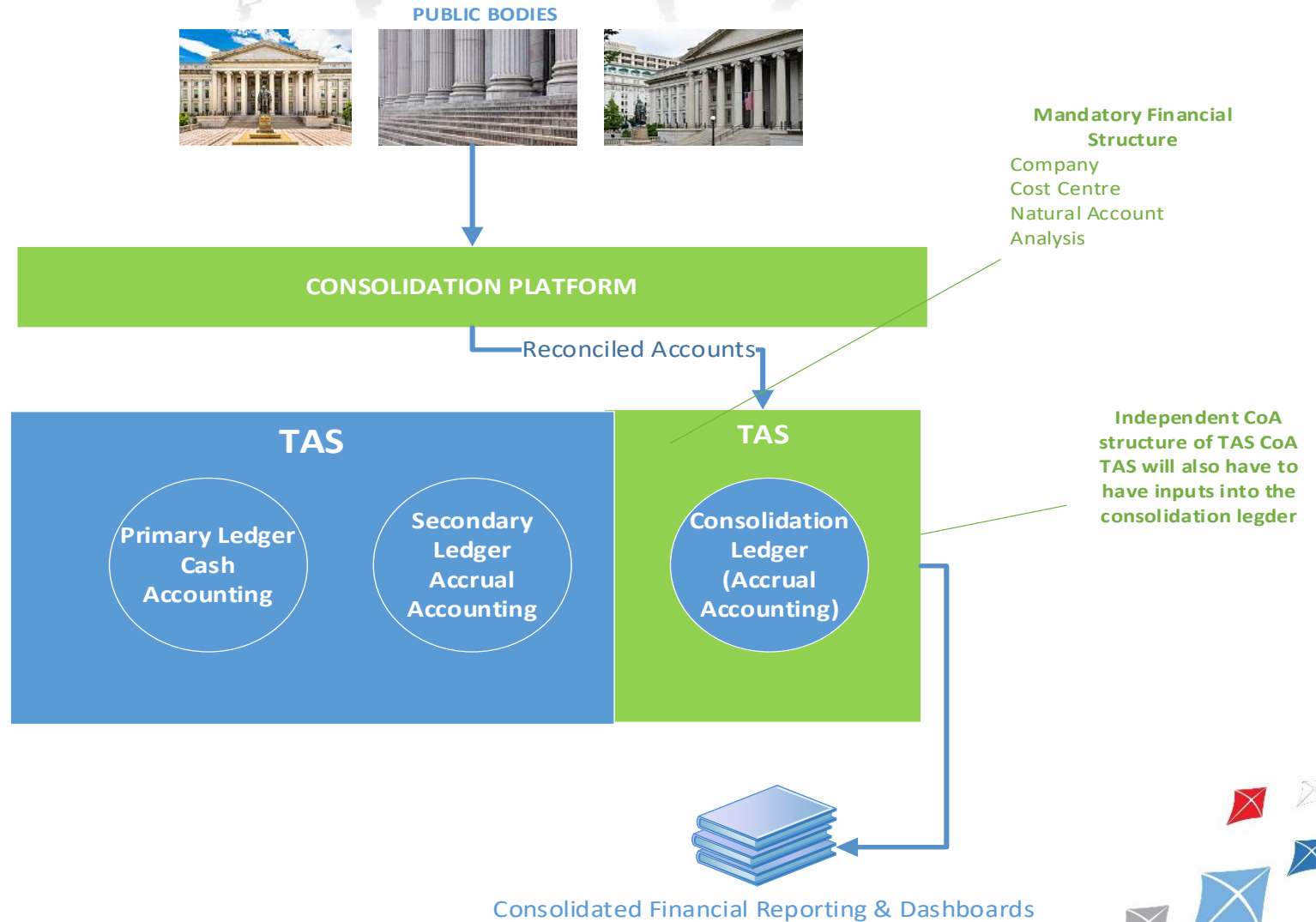
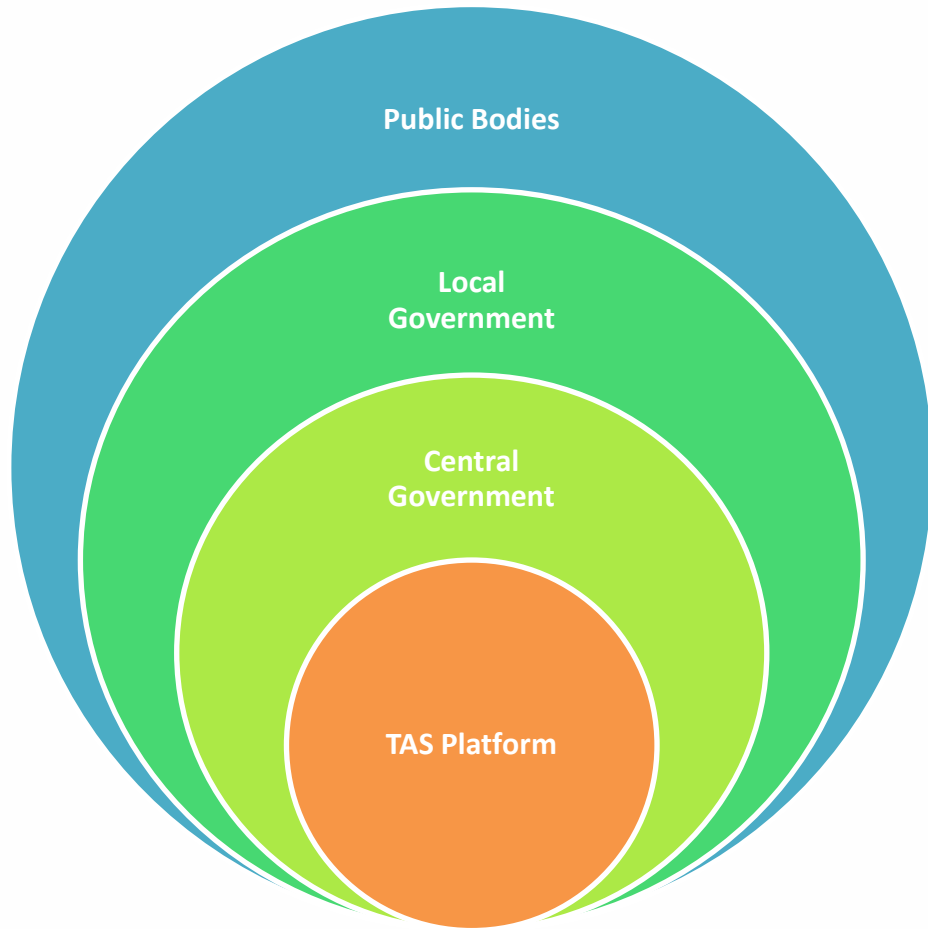
Recognition, Measurement, and Valuation of Assets

Compiled data

Public Bodies Adherence & Compliance to IPSAS

Disparate financial structures in public bodies

# Solution Overview



# Thank You

**SIL**

**2, Saint Georges Street, Port Louis**

**Republic of Mauritius**



**207 8000**



**silmail@sil.mu**

